

30 October 1953

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT:

[REDACTED]
Contract (Further comment)

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Proposed

REFERENCE:

Memorandum for PRC, through DD/L,
dated 27 October 1953, Subject: AD/IC
Reasons for Non-concurrence

1. Attached hereto is a completed appraisal of the current proposal in relation to previous contracts as exemplified in Tab A to referenced memorandum. This appraisal is based strictly on the language used in the 1951, 1952 and 1953 staff studies submitted by OSI. It is not presumed that this appraisal alone can settle the question of whether the proposed contract should be approved. In fact, I do not believe that it is possible to draw a conclusive judgment either for or against the proposed project from this comparison. All that is shown is that, as far as written material is concerned, the project is not ready for consideration and the contract is not ready for execution.

2. There is a further question.

a. Approximately one-fourth of the requested funds [REDACTED] are to be devoted to "consulting services" (description of "Task I"). While it is undeniably easy, permissible, and logical to use as consultants those experts who are also contractees under external research projects, there is a separate specific procedure for the employment of consultants (CIA Regulation 20-5) and, as I understand it, a separable general approach to the use of consultants as contrasted with the use of external research.

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Accordingly I recommend the separation of Task I from the balance of the project and that the consulting services of [REDACTED] be processed according to established consultant procedures.

The underlying question remains as to whether any consultant services which will exceed [REDACTED] in cost should be subject to PRC review. My tentative view is that they should.

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JAMES Q. REBER
Assistant Director
Intelligence Coordination

OIC/JQR/lb

cc: AD/SI